

# Department of Environmental Quality

Analyst: Houston

## Historical Summary

OPERATING BUDGET	FY 2000 Actual	FY 2001 Actual	FY 2002 Approp	FY 2003 Request	FY 2003 Gov Rec
<b>BY PROGRAM</b>					
Administration and Support	0	6,164,000	6,539,300	6,763,900	6,463,100
Air Quality	0	4,880,700	5,701,400	6,359,200	5,986,400
Water Quality	0	14,836,200	17,528,400	17,883,600	16,889,300
Waste Mgmt and Remediation	0	7,304,700	8,369,500	8,787,500	8,506,600
INEEL Oversight	0	1,833,400	2,326,400	2,373,200	2,336,600
<b>Total:</b>	<b>0</b>	<b>35,019,000</b>	<b>40,465,000</b>	<b>42,167,400</b>	<b>40,182,000</b>
<b>BY FUND CATEGORY</b>					
General	0	12,796,200	17,165,700	18,333,500	12,897,700
Dedicated	0	7,386,500	7,892,800	8,046,800	11,542,600
Federal	0	14,836,300	15,406,500	15,787,100	15,741,700
<b>Total:</b>	<b>0</b>	<b>35,019,000</b>	<b>40,465,000</b>	<b>42,167,400</b>	<b>40,182,000</b>
Percent Change:			15.6%	4.2%	(0.7%)
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	0	19,167,900	22,526,700	22,834,100	22,521,000
Operating Expenditures	0	11,000,500	11,248,600	11,821,000	11,254,000
Capital Outlay	0	1,071,000	462,500	679,100	181,800
Trustee/Benefit	0	3,779,600	6,227,200	6,333,200	5,725,200
Lump Sum	0	0	0	500,000	500,000
<b>Total:</b>	<b>0</b>	<b>35,019,000</b>	<b>40,465,000</b>	<b>42,167,400</b>	<b>40,182,000</b>
Full-Time Positions (FTP)	0.00	365.55	370.55	370.55	370.55

## Department Description

The mission of the Department of Environmental Quality (DEQ) is to preserve the quality of Idaho's air, land, and water for use and enjoyment today and in the future. The department (formerly a division of Health and Welfare) is organized into five budgetary programs.

Administration and Support Services develops division policies, legislation, and rules for permitting and regulatory programs; promotes public understanding of environmental issues and solicits public input; assesses program effectiveness in improving water and air quality; and services DEQ internal support needs.

The Air Quality program protects Idaho's air quality through an integrated "airshed" approach to air quality management. The airshed approach combines community involvement with the scientific method. The program uses ambient (encompassing) monitoring, permits, regulations and enforcement to protect Idaho's air quality.

The Water Quality program develops strategies to prevent, protect, and remediate areas so as to maintain or improve water quality and prevent impairment of beneficial uses. The program protects human health and biological integrity through watershed, drinking water, ground water, wastewater, and loan activities.

Waste Management and Remediation is responsible for ensuring that solid wastes are managed and disposed in a manner protective of human health and the environment. The program responds to existing releases of hazardous substances to surface waters, ground waters, or soils and works with active mines to ensure best management practices are followed and that bonding and closure requirements are met.

The primary responsibility of the Idaho National Engineering & Environmental Laboratory (INEEL) Oversight Program is to independently monitor INEEL operations and document transportation of radiological materials along transportation corridors. The objective is to assure the protection of Idaho's land, air, water, wildlife and public health and to provide Idahoans an independent, factual analysis of INEEL activities.

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## Comparative Summary

Decision Unit	AGENCY REQUEST		GOVERNOR'S REC	
	General	Total	General	Total
<b>FY 2002 Original Appropriation</b>	<b>17,165,700</b>	<b>40,465,000</b>	<b>17,165,700</b>	<b>40,465,000</b>
Reappropriations	2,564,500	2,618,600	2,564,500	2,618,600
Holdback/Neg. Supp	(508,900)	(508,900)	(508,900)	(508,900)
<b>FY 2002 Total Appropriation</b>	<b>19,221,300</b>	<b>42,574,700</b>	<b>19,221,300</b>	<b>42,574,700</b>
Expenditure Adjustments	0	0	0	0
<b>FY 2002 Estimated Expenditures</b>	<b>19,221,300</b>	<b>42,574,700</b>	<b>19,221,300</b>	<b>42,574,700</b>
Removal of One-Time Expenditures	(2,824,300)	(3,101,100)	(2,824,300)	(3,101,100)
Base Adjustments	0	0	0	0
Restore Holdback/Neg. Supp	508,900	508,900	508,900	508,900
Permanent Base Reduction	0	0	(1,164,800)	(914,800)
<b>FY 2003 Base</b>	<b>16,905,900</b>	<b>39,982,500</b>	<b>15,741,100</b>	<b>39,067,700</b>
Personnel Cost Rollups	43,400	99,100	43,400	99,100
Inflationary Adjustments	119,100	297,000	0	0
Replacement Items	492,300	679,100	0	181,800
Nonstandard Adjustments	181,200	401,400	113,200	333,400
Change in Employee Compensation	91,600	208,300	0	0
Fund Shifts	0	0	(3,000,000)	0
<b>FY 2003 Program Maintenance</b>	<b>17,833,500</b>	<b>41,667,400</b>	<b>12,897,700</b>	<b>39,682,000</b>
1. Air Quality Permitting Interest	500,000	500,000	0	500,000
Transfer to Air Permitting Fund	0	0	0	0
<b>FY 2003 Total</b>	<b>18,333,500</b>	<b>42,167,400</b>	<b>12,897,700</b>	<b>40,182,000</b>
Change from Original Appropriation	1,167,800	1,702,400	(4,268,000)	(283,000)
% Change from Original Appropriation	6.8%	4.2%	(24.9%)	(0.7%)
Change in FTP's		0.00		0.00

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2002 Original Appropriation</b>	370.55	17,165,700	7,892,800	15,406,500	40,465,000

## Reappropriations

Carry over unused spending authority from FY 2001 to FY 2002 in the amounts of \$2,564,500 from the General Fund and \$54,100 from the Air Quality Permitting Fund. Of the \$2,618,600 total, \$411,800 is for Air Quality, \$1,882,100 for Water Quality, \$250,000 for Waste Management and Remediation, and \$74,700 is for INEEL Oversight. Note that DEQ voluntarily reverted \$1,062,100 to the General Fund (cash) and \$1,295,400 in dedicated spending authority for fiscal year 2002.

Agency Request	0.00	2,564,500	54,100	0	2,618,600
Governor's Recommendation	0.00	2,564,500	54,100	0	2,618,600

## Holdback/Neg. Supp

Reflects the dollar impact of the Governor's 3% holdback. The agency holdback plan calls for savings of \$118,900 in personnel costs due to delayed hiring; \$150,000 in operating expenditures due to reduced travel, training, supplies, and discretionary costs; and \$240,000 in trustee/benefit payments due to reduced amounts passed through to other entities for water quality projects.

Agency Request	0.00	(508,900)	0	0	(508,900)
Governor's Recommendation	0.00	(508,900)	0	0	(508,900)

<b>FY 2002 Total Appropriation</b>					
Agency Request	370.55	19,221,300	7,946,900	15,406,500	42,574,700
Governor's Recommendation	370.55	19,221,300	7,946,900	15,406,500	42,574,700

## Expenditure Adjustments

Transfer two positions and \$151,000 in personnel costs from Administration and Support to Waste Management and Remediation. Transfer one position and \$66,800 from Water Quality to Waste Management and Remediation.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

<b>FY 2002 Estimated Expenditures</b>					
Agency Request	370.55	19,221,300	7,946,900	15,406,500	42,574,700
Governor's Recommendation	370.55	19,221,300	7,946,900	15,406,500	42,574,700

## Removal of One-Time Expenditures

Remove one-time items provided for FY 2002 budget. Remove \$2,618,600 carryover, \$415,000 for replacement items, \$20,000 for Pocatello Aquifer recategorization, and \$47,500 for capital outlay related to air quality, Coeur d'Alene Basin support, and wastewater permitting.

Agency Request	0.00	(2,824,300)	(128,100)	(148,700)	(3,101,100)
Governor's Recommendation	0.00	(2,824,300)	(128,100)	(148,700)	(3,101,100)

## Base Adjustments

## Waste Management and Remediation

Moves \$142,000 from operating expenditures to trustee and benefit payments.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

## Restore Holdback/Neg. Supp

Restores the Governor's holdback.

Agency Request	0.00	508,900	0	0	508,900
Governor's Recommendation	0.00	508,900	0	0	508,900

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Permanent Base Reduction</b>					
Agency Request	0.00	0	0	0	0
<i>The permanent base reduction does not reduce the department's number of full-time equivalent positions. Reductions of \$222,500 in personnel costs are partially offset by \$117,700 in federal funds. Reductions of \$340,300 in operating expenditures are partially offset by \$32,300 in federal funds. Reductions of \$602,000 in trustee and benefit payments are partially offset by \$100,000 from the Water Pollution Control Fund. It is intended that the Water Pollution Control Funds are a one-year replacement and will be shifted back to the General Fund in FY 2004.</i>					
Governor's Recommendation	0.00	(1,164,800)	100,000	150,000	(914,800)
<b>FY 2003 Base</b>					
Agency Request	370.55	16,905,900	7,818,800	15,257,800	39,982,500
Governor's Recommendation	370.55	15,741,100	7,918,800	15,407,800	39,067,700
<b>Personnel Cost Rollups</b>					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	43,400	16,800	38,900	99,100
Governor's Recommendation	0.00	43,400	16,800	38,900	99,100
<b>Inflationary Adjustments</b>					
Includes a general inflationary increase of 1.7% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	119,100	69,700	108,200	297,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>Replacement Items</b>					
Replacement items include \$172,000 for 11 vehicles (including 1 hybrid electric), \$188,700 for computer equipment (replace 87 personal computers on 5-year replacement cycle plus 3 laptops and 1 printer), and \$318,400 for field equipment (including \$30,000 for a jet boat).					
Agency Request	0.00	492,300	46,000	140,800	679,100
<i>The Governor removes \$492,300 in General Fund and \$7,000 in Federal Funds.</i>					
Governor's Recommendation	0.00	0	46,000	135,800	181,800
<b>Nonstandard Adjustments</b>					
Reflects the added costs for lease costs of the Pocatello Regional Office. Includes \$68,000 from the General Fund, \$10,500 from the Air Quality Permitting Fund, \$8,300 from the Public Water System Supervision Fund, \$9,600 from receipts, and \$53,600 from federal funds. The request for proposal (RFP) seeks an expansion from 6,817 sq. ft. to 14,000 sq. ft. The budget assumes an average increase in lease costs from \$8.25 per sq. foot to \$14.75 per sq. foot. The 7,100 additional sq. ft. and the higher per sq. foot costs result in the need for about \$150,000 annually. This decision unit also adjusts Attorney General fees upward by \$61,200, State Controller fees upward by \$194,900, and State Treasurer fees downward by \$4,700. [Ongoing]					
Agency Request	0.00	181,200	61,000	159,200	401,400
<i>The Governor excludes \$68,000 in General Fund support for the added lease costs of the Pocatello Regional Office.</i>					
Governor's Recommendation	0.00	113,200	61,000	159,200	333,400

# Department of Environmental Quality

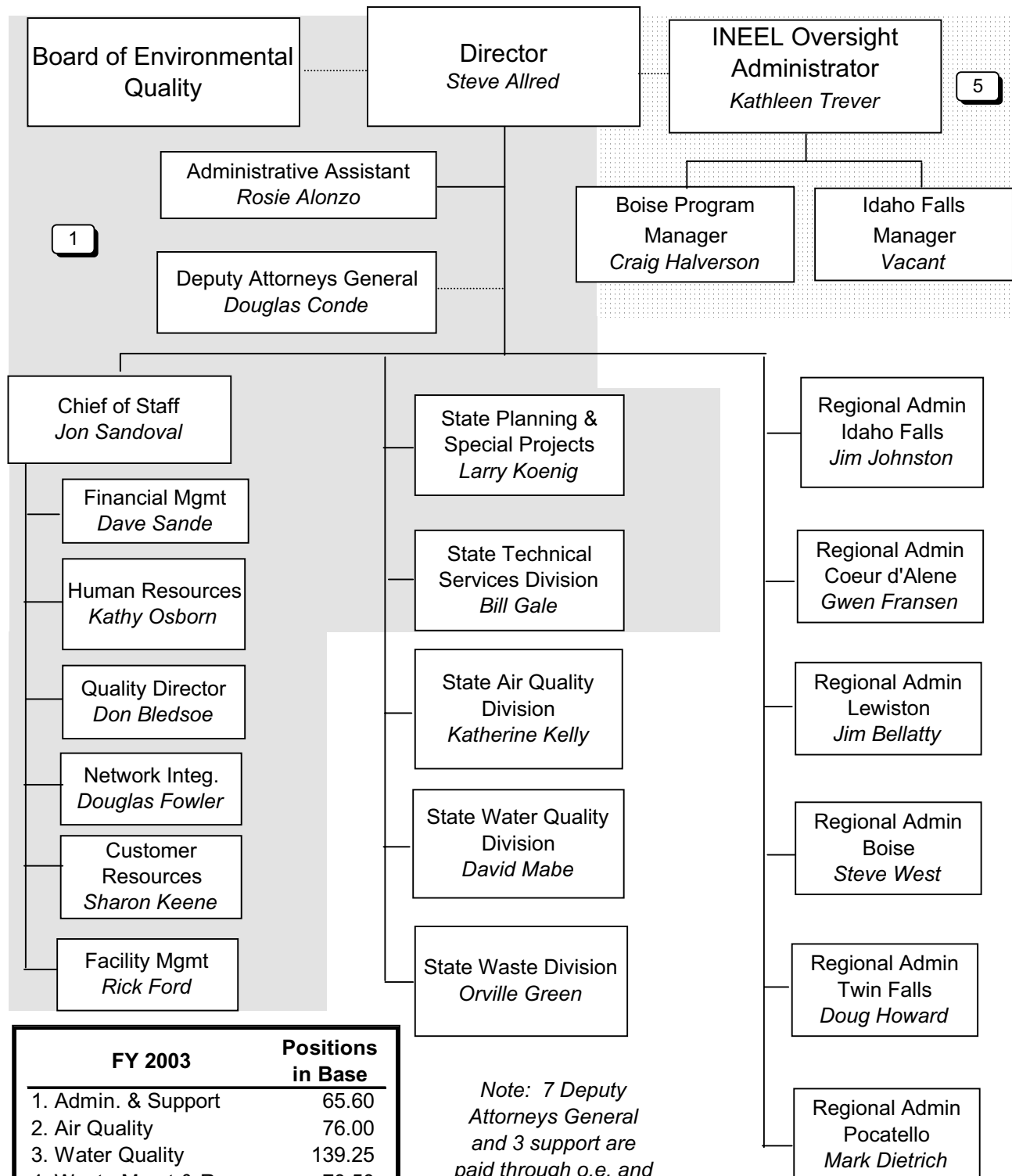
Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Change in Employee Compensation</b>					
Reflects the cost of a 1% salary increase for permanent positions and for group positions amounting to \$191,200 for permanent positions and \$17,100 for group positions.					
Agency Request	0.00	91,600	34,500	82,200	208,300
<i>The Governor recommends state employee compensation increases to be made from salary savings.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>Fund Shifts</b>					
					<b>Water Quality</b>
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a one-time shift of \$641,700 in operating expenditures and \$2,358,300 in trustee and benefit payments from the General Fund to the Water Pollution Control Fund. This shift will have to be reversed in FY 2004.</i>					
Governor's Recommendation	0.00	(3,000,000)	3,000,000	0	0
<b>FY 2003 Program Maintenance</b>					
Agency Request	370.55	17,833,500	8,046,800	15,787,100	41,667,400
Governor's Recommendation	370.55	12,897,700	11,042,600	15,741,700	39,682,000
<b>1. Air Quality Permitting Interest</b>					
					<b>Air Quality</b>
When the Idaho Air Quality Permitting Fund was established in 1993 (Idaho Code, §39-118D), the legislation stated that the fund was to retain the interest earned on the fund balance. Due to an oversight that was not discovered until 1999, the interest earned on the fund was kept by the General Fund. The correction was made so that starting in FY 2000, the fund has retained the interest it earns. Last session, DEQ requested back interest amounting to \$1,010,000 for the 1993 to 1999 period, calculated at a 5% interest rate on the balance of the fund at the end of each fiscal year, to be transferred from the General Fund to the Air Quality Permitting Fund. JFAC provided \$510,000 leaving the remaining \$500,000 to be considered in a future year. [One-time]					
Agency Request	0.00	500,000	0	0	500,000
<i>The Governor recommends funding the interest repayment to the Air Quality Permitting Fund from the Water Pollution Control Fund.</i>					
Governor's Recommendation	0.00	0	500,000	0	500,000
<b>Transfer to Air Permitting Fund</b>					
					<b>Air Quality</b>
DEQ requests the remaining back interest for the 1993 to 1999 period, calculated at a 5% interest rate on the balance of the fund at the end of each fiscal year, be transferred from the General Fund to the Air Quality Permitting Fund with no increase in spending authority. With this transfer in place, the budget is a 3.2 % increase in General Fund and a 2.4% increase overall. [\$500,000 one-time transfer]					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends funding the interest repayment to the Air Quality Permitting Fund from the Water Pollution Control Fund.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2003 Total</b>					
Agency Request	370.55	18,333,500	8,046,800	15,787,100	42,167,400
Governor's Recommendation	370.55	12,897,700	11,542,600	15,741,700	40,182,000
Agency Request					
Change from Original App	0.00	1,167,800	154,000	380,600	1,702,400
% Change from Original App	0.0%	6.8%	2.0%	2.5%	4.2%
Governor's Recommendation					
Change from Original App	0.00	(4,268,000)	3,649,800	335,200	(283,000)
% Change from Original App	0.0%	(24.9%)	46.2%	2.2%	(0.7%)

# Department of Environmental Quality Issues & Information

Analyst: Houston

## Organizational Chart



# Department of Environmental Quality

## Issues & Information

Analyst: Houston

### Selected Fund Analysis

Description	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
<b>Water Pollution Control Fund 0200</b>					
<b>Combined Beginning Balance</b>	<b>5,998,100</b>	<b>8,861,300</b>	<b>10,601,700</b>	<b>5,173,800</b>	<b>5,912,500</b>
Sales Tax	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
Inheritance Tax	8,973,500	8,943,800	0	0	0
Cigarette Taxes	1,041,700	1,050,600	0	0	0
Tobacco Taxes	3,766,400	3,835,800	0	0	0
Miscellaneous	(819,800)	755,100	327,900	258,700	295,600
<b>Total Revenue Available</b>	<b>23,759,900</b>	<b>28,246,600</b>	<b>15,729,600</b>	<b>10,232,500</b>	<b>11,008,100</b>
DEQ Personnel & OE	7,413,200	9,018,700	1,653,900	0	0
DEQ T&B Payments	4,050,800	1,906,200	581,900	1,000,000	1,017,000
Dept. of Agriculture	0	1,500,000	0	0	0
Drinking Water Loan Fund	1,400,000	1,400,000	1,500,000	1,500,000	1,500,000
Wastewater Facility Loans	1,500,000	3,300,000	1,300,000	1,300,000	1,300,000
Environmental Remediation	520,000	520,000	520,000	520,000	520,000
Adjustments/Transfer to GF	14,600	0	5,000,000	0	0
<b>Combined Ending Balance</b>	<b>8,861,300</b>	<b>10,601,700</b>	<b>5,173,800</b>	<b>5,912,500</b>	<b>6,671,100</b>

### Drinking Water State Revolving Fund (DWSRF) or Drinking Water Loan Fund 0532

The Idaho Drinking Water State Revolving Fund (DWSRF) was established pursuant to the Federal Safe Drinking Water Act in 1996 to assist public water systems to finance infrastructure costs. The Fund is being capitalized by the EPA through a series of grants that require States to provide an additional 20% match. The effective interest rate of 2% to 4% is generally repaid over 20 years starting within one year after the project is completed. The Fund does not have any full-time employees. Instead, DEQ charges the Fund for time spent on DWSRF activities. As of June 30, 2000, Congress had authorized \$36.5 million to Idaho requiring \$7.3 million in matching funds for a total of \$43.8 million. The Fund had a cash balance of \$5 million and outstanding loans of \$4.8 million. As of June 30, 2001, Congress had authorized \$44.3 million to Idaho requiring \$8.9 million in matching funds for a total of \$53.2 million. At year-end, the Fund had a cash balance of \$6.4 million and outstanding loans of \$7.1 million. It is continuously appropriated.

### Clean Water State Revolving Fund (CWSRF) or Wastewater Facility Loan Fund 0529

The Idaho Clean Water State Revolving Fund (CWSRF) was established pursuant to Title VI of the Federal Water Quality Act of 1987 to finance publicly owned wastewater treatment facilities and pollution control projects. The Fund is being capitalized by the EPA through a series of grants that require States to provide an additional 20% match. Effective interest rates vary between 3.75% and 4.5% and are generally repaid over 20 years starting within one year after the project is completed. The Fund does not have any full-time employees. Instead, DEQ charges the Fund for time spent on CWSRF activities. As of June 30, 2000, Congress had authorized \$83 million to Idaho requiring \$16.6 million in matching funds for a total of \$99.6 million. The Fund had a cash balance of \$39.9 million and outstanding loans of \$54.8 million. As of June 30, 2001, Congress had authorized \$89.5 million to Idaho requiring \$17.9 million in matching funds for a total of \$107.4 million. At year-end, the Fund had a cash balance of \$58.5 million and outstanding loans of \$47.6 million. It is continuously appropriated.

# Department of Environmental Quality

## Issues & Information

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### Selected Fund Analysis Continued

Description	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
<b>Hazardous Waste Emergency Fund 0185</b> (compliance and court settlements)					
<b>Beginning Balance</b>	<b>340,600</b>	<b>398,600</b>	<b>835,400</b>	<b>910,400</b>	<b>1,223,000</b>
Cash Receipts & Transfers	58,000	804,900	106,500	337,400	437,800
<b>Total Revenue Available</b>	<b>398,600</b>	<b>1,203,500</b>	<b>941,900</b>	<b>1,247,800</b>	<b>1,660,800</b>
Expenditures & Transfers	0	368,100	31,500	24,800	24,800
<b>Ending Balance</b>	<b>398,600</b>	<b>835,400</b>	<b>910,400</b>	<b>1,223,000</b>	<b>1,636,000</b>
<b>Air Quality Permitting Fees 0186</b> (Clean Air Act, Title V permitting fees)					
<b>Beginning Balance</b>	<b>3,185,800</b>	<b>2,630,600</b>	<b>2,089,700</b>	<b>1,917,200</b>	<b>1,617,000</b>
Fees	1,211,500	1,449,900	1,177,600	1,838,200	1,868,800
Transfer GF Back Interest	0	0	510,000	0	500,000
Interest and Transfers	0	0	93,200	480,100	100,100
<b>Total Revenue Available</b>	<b>4,397,300</b>	<b>4,080,500</b>	<b>3,870,500</b>	<b>4,235,500</b>	<b>4,085,900</b>
Expenditures & Transfers	1,766,700	1,990,800	1,953,300	2,618,500	2,588,200
<b>Ending Balance</b>	<b>2,630,600</b>	<b>2,089,700</b>	<b>1,917,200</b>	<b>1,617,000</b>	<b>1,497,700</b>
<b>Public Water Supervision Fund 0191</b> (public drinking water system fees)					
<b>Beginning Balance</b>	<b>0</b>	<b>0</b>	<b>755,800</b>	<b>688,700</b>	<b>546,900</b>
Cash Receipts & Transfers	0	755,800	1,415,300	1,444,900	1,250,000
Interest	0	0	40,200	34,400	37,100
<b>Total Revenue Available</b>	<b>0</b>	<b>755,800</b>	<b>2,211,300</b>	<b>2,168,000</b>	<b>1,834,000</b>
Expenditures & Transfers	0	0	1,522,600	1,621,100	1,655,200
<b>Ending Balance</b>	<b>0</b>	<b>755,800</b>	<b>688,700</b>	<b>546,900</b>	<b>178,800</b>
<b>Environmental Remediation Fund 0201</b> (State's match for superfund grants)					
<b>Beginning Balance</b>	<b>6,418,700</b>	<b>6,505,000</b>	<b>6,707,600</b>	<b>7,243,000</b>	<b>7,298,700</b>
Interest Income	380,800	334,700	411,300	362,200	364,900
Cash Receipts & Transfers	520,000	520,000	520,000	520,000	520,000
<b>Total Revenue Available</b>	<b>7,319,500</b>	<b>7,359,700</b>	<b>7,638,900</b>	<b>8,125,200</b>	<b>8,183,600</b>
Expenditures	814,500	652,100	395,900	826,500	840,000
<b>Ending Balance</b>	<b>6,505,000</b>	<b>6,707,600</b>	<b>7,243,000</b>	<b>7,298,700</b>	<b>7,343,600</b>
<b>Bunker Hill Trust Fund 0511</b> (receipts from Silver Valley mining companies)					
<b>Beginning Balance</b>	<b>2,231,800</b>	<b>1,848,800</b>	<b>1,963,300</b>	<b>1,929,800</b>	<b>1,726,300</b>
Interest Income	122,200	114,500	116,500	96,500	86,300
<b>Total Revenue Available</b>	<b>2,354,000</b>	<b>1,963,300</b>	<b>2,079,800</b>	<b>2,026,300</b>	<b>1,812,600</b>
Expenditures & Transfers	505,200	0	150,000	300,000	305,100
<b>Ending Balance</b>	<b>1,848,800</b>	<b>1,963,300</b>	<b>1,929,800</b>	<b>1,726,300</b>	<b>1,507,500</b>